



TEC Investigation Report – Ngāti Maniapoto Marae Pact Trust Incorporated

He Kupu Whakataki

Tuatahi, ka mihi atu mātou o Te Amorangi Mātauranga Matua (TEC) ki ngā rangatira me ngā marae katoa kua whakatū koutou i te rōpū tautiaki nei, te Ngāti Maniapoto Pact Trust. He mea miharo tō koutou kaha ki te tiaki, tuku ratonga hoki ki ngā whānau Māori maha o tō koutou rohe e noho pohara ana, e rarururu ana i roto i ngā kaupapa hauora, kaupapa mātauranga, kaupapa ohaoha hoki.

Ahakoia kua kitea he take hei whakatika, kua kitea hoki te ngākau aroha o te rōpū tautiaki nei ki tōna hapori. He mea nui anō hoki, kua whakaaetia enei take hei whakatika. Heoi, ko te mea nui ia tērā, kua mahi tahi me mātou o te TEC kia whakatikangia ngā take nei. Nakona, kua haere tonu te tuku ratonga hei awhina i te hapori.

I roto i tēnei kaupapa arotake kua tino marama hoki ki a mātou o te TEC, arā anō ētahi kaupapa mā matou tonu te whakatika. Hei tauira, kāore i tūtuki pai ngā whaingā o te pūtea nei o Youth Guarantee. Na reira kua huri ngā tari mātauranga ki te rapu huarahi e pai ake tērā kaupapa. Kāore i te pai te tuku mātauranga ahumahi ki ngā taone pērā i a Te Kuiti. Na reira kua huri ngā tari mātauranga ki te arotake i ngā kaupapa mātauranga ahumahi ko te kaupapa RoVE tērā. Kia kaha ake te tautoko i ngā whānau o ngā taone pērā i a Te Kuiti me te Rohe Pōtae.

Kua tino hiahia hoki mātou ki te tautoko i a Ngāti Maniapoto whānui i roto i te whakatau i ngā kereme Tiriti o Waitangi.

Ka mutu, e aku kawau māro o te iwi nei o Maniapoto, ka mihi ki tō koutou māia ki te tautoko i tō koutou hapori, ka miharo ki tō koutou aroha ki te hunga kua tūkinotia e te punaha mātauranga ā-kura. Kua eke ki te whā tekau tau koutou e manawanui ana, e whawhai ana mo ēnei a ō koutou whānau.

Executive Summary

1. The Maniapoto Training Agency (MTA), the education arm of the Ngāti Maniapoto Marae Pact Trust Incorporated (NMMPT), provides education and training in the King Country. The Tertiary Education Commission Te Amorangi Mātauranga Matua (TEC) acknowledges MTA's important role in a low decile and rurally isolated region, and its particular focus on providing education and training for those who have not been successful in the traditional compulsory schooling system.
2. In 2014, the TEC conducted a routine audit of MTA and identified issues with its reporting of course enrolments and completions. At this time, MTA was relatively new to delivering under the Youth Guarantee fund, having previously operated under Youth Development, Youth Training and Foundation-Focused Training Opportunities. The audit report included recommendations of how to address the reporting issues identified.
3. In 2018, discussions on MTA's apparently low course completion EPIs indicated ongoing reporting issues. The TEC commenced an investigation, and identified that MTA was reporting a large number of learners twice

(usually one successful and one unsuccessful completion) during the same period, when in practice the learners had only completed the course once. This practice breaches funding rules and meant MTA had received funding (for double enrolments) that it was not entitled to receive.

4. The investigation also identified that in a small number of cases funding had been claimed for students who were enrolled prior to their 16th birthday, but for whom MTA did not have evidence of an early school leaving exemption. Without an early leaving exemption, these enrolments are not valid and ineligible for funding.
5. In total, these issues meant MTA had received \$2,122,435.20 (GST excl) of TEC funding that it was not entitled to receive. In recognition of MTA’s important role in the King Country, the TEC accepted a repayment plan submitted by NMMPT to enable it to repay the debt well continuing to deliver to its rangatahi. The debt was fully repaid by February 2023.
6. The TEC acknowledges that MTA’s focus has always been on supporting its rangatahi, and that it accepted the TEC’s investigation findings and worked hard with us to resolve the issues identified so that it can continue to deliver for its community. As part of this process, TEC and NMMPT have reflected on their partnership and are both committed to working together to ensure the ongoing delivery of education and training in the King Country.

Background

7. NMMPT began as a co-operative venture of Maniapoto marae in 1980. Its initial purpose was primarily as a fund raising initiative to provide funds for marae development and maintenance. It is a registered charity and offers a range of community, health, education and training services.
8. The mission of NMMPT is:

To promote and develop the social, recreational, cultural, economic and educational needs of Ngāti Maniapoto whanau in any manner that may contribute to a better quality of life and wellbeing for them.
9. The education and training arm of NMMPT is MTA. MTA was registered as a private training establishment (PTE) by the New Zealand Qualifications Authority (NZQA) in 1992.
10. The main aim of the MTA is to provide education and training for those people who have been less successful and who may not have lived up to the expectations of the traditional New Zealand education system¹. They are currently the only Youth Guarantee provider in the King Country still delivering training.
11. The following table shows the total EFTS and funding provided to the Trust during 2014 to 2017²:

	Student No.	Funding (\$)
2014	101	1,133,407
2015	115	1,300,837
2016	124	1,293,918
2017	102	1,147,385
Total	442	4,875,547

2014 Audit

12. In April 2014, an audit was conducted by the TEC to provide assurance that MTA was meeting the Investment Plan Funding Conditions. This was a routine audit as part of the TEC’s normal processes and involved the auditor attending the premises of NMMPT.
13. The audit looked at the conditions placed on MTA’s funding, and the focus areas included:

¹ <https://www.maniapoto.org.nz/index.php/joomla-overview>

² The period covered by this investigation.

- » Compliance with reporting obligations including reporting through the SDR, recording enrolments and withdrawals.
- » The refund of fees that have been overcharged.
- » The financial support for the equipment infrastructure required to deliver the approved qualifications.
- » Whether inducements or benefits have been provided to students.
- » Responsibility for subcontracting arrangements.
- » Compliance with the requirements in Part 18 of the Act.

14. The audit highlighted several issues and recommendations, however only the issue of students being enrolled and reported twice is relevant to this report.

Students reported twice

15. The audit found that students in the sample of records reviewed were reported twice in the SDR for the majority of their courses. First, as an unsuccessful completion then as a successful completion. In all cases where this occurred there was no adjustment to the EFTS delivered between the first and second courses.

16. The dates that students were enrolled and set up in MTA's Student Management System (SMS) also did not align with the actual enrolment and assessment dates.

17. The audit report stated that to re-enrol each student in the full length of the course did not take into account when the additional learning requirements were minimal. The report provided two recommendations to fix this issue:

- » In cases where the additional learning was minimal an extension may have been more appropriate for the course rather than an unsuccessful completion and re-enrolment. The extension/successful completion option would result in one course completion. The SDR manual outlines that in cases where an extension is appropriate that code "0" can be used. This can be used when "the completion date for the course has passed but an extension or resubmission has been granted or the grade is not yet available. A completion (code 2, 3 or 4) will be returned in a later SDR."
- » The EFTS value could be pro-rated to reflect the actual work that was completed by the student. This could be done with adjustments to the end and start dates.

18. The report also requested that MTA review the SMS course setup and align course enrolments, re-enrolment, course end dates, and assessment dates so data uploaded via the SDR aligns with actual dates.

19. The final audit report was issued on 14 May 2014.

Response to Audit Report

20. On 6 June 2014, the General Manager of MTA responded to the audit report. The table below outlines how MTA would action the issues and implement the recommendations highlighted above:

Issue	Recommendation	Action	Implementation
SMS course setup not reflecting actual course enrolment dates and aligning to assessment dates.	Review the SMS course setup and align course enrolments, re-enrolment, end and assessment dates so data uploaded to SDR aligns with actual dates.	Review issue with SMS Provider to accurately align all actual dates with reports so that data check and upload to SDR is consistent and accurate	Identify specific data entries in SMS where dates do not align in reports - cross reference to SDR uploads for SMS Provider, to identify if this is a data entry issue or software issue. Correct through further training of staff or upgrading SMS software.

Some students' re-sits for unsuccessful completion of a course may be better managed if students are given an extended period of time to do a re-sit within the same course time instead of re-enrolling.	Extend time for re-sits of unsuccessful completion where requirements are minimal and student has achieved partial competence.	Case review all re-sits for unsuccessful completion and where it is assessed appropriate, course time may be extended to allow a re-sit within the same course timeframe.	Amend re-sit policy and allow an extension of course time if it is assessed as appropriate, a re-sit can be done with minimal additional teaching time, start 28 May 2014, finalise 7 July 2014.
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Discussions with the TEC in 2018 and initiation of investigation

21. On 22 June 2018, staff from TEC met with MTA to discuss the indicative allocation for MTA for the 2019 funding year. MTA's 2019 indicative allocation had been significantly reduced due to its apparently poor course completion educational performance indicators (EPIs).
22. When looking at the SDR submissions, TEC staff stated that the low course completion rates looked to be a result of the way that MTA was reporting. During those discussions, TEC advised that it needed to conduct further investigation into MTA's reporting practices.
23. On 27 July 2018, TEC sent a letter to NMMPT advising it was initiating an investigation into the issue. The investigation was conducted via analysis of MTA's full SDR submissions for 2014 to 2017.
24. The investigation identified that MTA's reporting of enrolments breached TEC funding conditions, as set out below.

Breaches of Funding Conditions

Supply of Information

25. Section 159YC(1) of the Act provides that a tertiary education organisation (TEO) that receives funding must supply to the TEC, from time to time, in the form specified by the TEC, any financial, statistical, or other information that the TEC requires the TEO to supply.
26. In line with the Act, the funding letters that were provided to MTA specified the following funding condition:

TEO to supply enrolment information to the TEC

The TEO must:

- a) supply to the TEC information about each student enrolled in a Youth Guarantee course linked to a funded qualification by completing the fields in the Single Data Return (SDR) in accordance with the SDR Manual and its appendices; and*
- b) submit the information through the SDR on or before the date specified by the TEC; and*
- c) submit the SDR through the Services for Tertiary Education Organisations (STEO) website.*

For more information on how to submit an SDR return, please refer to the SDR Manual.

27. The SDR Manual provides that the responsibility for checking the integrity of the data provided rests with the TEO. To ensure the integrity of the data, TEOs are required to undertake data validation checks, to see any inconsistencies that arise in comparing frequency counts from previous years' data, and to correct errors before submitting the data.

28. Since December 2016, NMMPT has been required to sign off MTA’s summary report for the December SDR submission.

SDR Manual

29. The SDR manual highlights three relevant scenarios when reporting for students for course completions:

- » **Completed course successfully** – *By the extraction date, the learner has met the requirements for successful completion as set out in the approved course descriptor or outline. This student enrolment will be captured as a course completion in the SDR return outline. This student enrolment will be captured as a course completion in the SDR return.*
- » **Completed course unsuccessfully** – *By the extraction date, the learner has completed requirements for course completion but unsuccessfully as set out in the approved course descriptor or outline. This student enrolment will be captured as a course completion in the SDR return.*
- » **Did not complete course** – *By the extraction date, learners have not attempted or met all requirements for successful course completion. This includes learners who have formally or not formally withdrawn from the course outside the regulations for withdrawal. The completion date for the course has been reached. The student enrolment will be captured as a course incompleteness in the SDR return*

30. The supply of information through the SDR by MTA highlighted the following irregularities relating to enrolments in the same course occurring twice during the same period.

Concurrent “successful” and “unsuccessful” enrolments

31. In several instances, MTA has recorded that the student “completed the course unsuccessfully”, but then, at the same time, they have “completed the course successfully”. This can be shown through the following analysis of SDR information for a selection of courses for one student:

Course Title	Tuition Fee	Ccc Fee	Course EFTS Factor	Course Funding Source Description	Course Start Date	Course End Date	Completion Status
Produce a plan for own future directions	\$0	\$0	0.025	Youth Guarantee Scheme	18/01/16	04/12/16	Unsuccessful Completion
Produce a plan for own future directions	\$0	\$0	0.025	Youth Guarantee Scheme	04/07/16	04/12/16	Successful Completion
Describe legal implications of living in rented accommodation and means to	\$0	\$0	0.0333	Youth Guarantee Scheme	18/01/16	04/12/16	Unsuccessful Completion
Describe legal implications of living in rented accommodation and means to	\$0	\$0	0.0333	Youth Guarantee Scheme	04/07/16	04/12/16	Successful Completion
Be interviewed in a formal interview	\$0	\$0	0.0166	Youth Guarantee Scheme	18/01/16	04/12/16	Unsuccessful Completion
Be interviewed in a formal interview	\$0	\$0	0.0166	Youth Guarantee Scheme	04/07/16	04/12/16	Successful Completion
Be assertive in a range of specified situations	\$0	\$0	0.0333	Youth Guarantee Scheme	18/01/16	04/12/16	Unsuccessful Completion
Be assertive in a range of specified situations	\$0	\$0	0.0333	Youth Guarantee Scheme	14/03/16	04/12/16	Successful Completion
Identify and describe basic employment rights and responsibilities, and sou	\$0	\$0	0.025	Youth Guarantee Scheme	18/01/16	04/12/16	Unsuccessful Completion
Identify and describe basic employment rights and responsibilities, and sou	\$0	\$0	0.025	Youth Guarantee Scheme	14/03/16	04/12/16	Successful Completion
Make an informed decision relating to personal income and evaluate its cons	\$0	\$0	0.0166	Youth Guarantee Scheme	18/01/16	04/12/16	Unsuccessful Completion
Make an informed decision relating to personal income and evaluate its cons	\$0	\$0	0.0166	Youth Guarantee Scheme	14/03/16	04/12/16	Successful Completion
Produce a balanced budget for an individual	\$0	\$0	0.025	Youth Guarantee Scheme	18/01/16	04/12/16	Unsuccessful Completion
Produce a balanced budget for an individual	\$0	\$0	0.025	Youth Guarantee Scheme	14/03/16	04/12/16	Successful Completion

32. As can be seen above, the student is enrolled for the full year in the course and recorded as unsuccessfully completing the course. They are also concurrently enrolled later in the year, where they are marked as successfully completing the course.
33. Our analysis has shown that the above situation occurs for approximately 480 students from 2013-2017.
34. The above situation is what was highlighted as an issue in the 2014 audit. It appears that, despite confirmation that MTA had addressed the issue with the dual enrolments, the situation was still occurring with:
- » No extension of the course date to allow for a re-sit or re-examination to take place; or
 - » No adjustment made to the EFTS value for a second enrolment.
35. Re-enrolling a student if they are not successful is permitted but we do not accept the volume and the blanket way in which it was reported through the SDR. This can be highlighted by the comment in the 2014 Audit Report:

The length of time it took students to achieve a unit standard ranged from several days to several weeks to several months. This was evidenced through dates recorded on the unit standard summary assessment sheet which also provided evidence that each course had been completed. This reflected minor requirements to be addressed to achieve competency though to a full course re-enrolment. To re-enrol each student in the full length of the course did not take into account when the additional learning requirements were minimal.

36. The effect of the above is that each student is concurrently enrolled and funded twice. The TEC will only fund the extra amount that each student would need to pass – enrolling them in every course (or unit standard again (and at the same time) does not reflect that scenario. While we also acknowledge that MTA frequently deals with high needs students and that many students may in fact fail courses, there is no accounting for the minimal requirements of extra learning when almost all of the students have been re-enrolled in each course.

Dual “successful” enrolments

37. In several instances, MTA has recorded that the student “completed the course successfully” twice during the same period. This can be shown through the following analysis of SDR information for a selection of courses for one student.

Course Title	Tuition Fee	Ccc Fee	Course EFTS Factor	Course Funding Source Description	Course Start Date	Course End Date	CompletionStatus
Produce a plan for own future directions	\$0	\$0	0.025	Youth Guarantee Scheme	30/06/14	07/12/14	Successful Completion
Produce a plan for own future directions	\$0	\$0	0.025	Youth Guarantee Scheme	13/10/14	07/12/14	Successful Completion
Demonstrate knowledge of safe handling and health problems of dairy cattle,	\$0	\$0	0.025	Youth Guarantee Scheme	30/06/14	07/12/14	Successful Completion
Demonstrate knowledge of safe handling and health problems of dairy cattle,	\$0	\$0	0.025	Youth Guarantee Scheme	13/10/14	07/12/14	Successful Completion
Demonstrate knowledge of farm dairy design, and the effluent system	\$0	\$0	0.0166	Youth Guarantee Scheme	30/06/14	07/12/14	Successful Completion
Demonstrate knowledge of farm dairy design, and the effluent system	\$0	\$0	0.0166	Youth Guarantee Scheme	13/10/14	07/12/14	Successful Completion
Demonstrate knowledge of the legal requirements and hazards associated with	\$0	\$0	0.025	Youth Guarantee Scheme	30/06/14	07/12/14	Successful Completion
Demonstrate knowledge of the legal requirements and hazards associated with	\$0	\$0	0.025	Youth Guarantee Scheme	13/10/14	07/12/14	Successful Completion
Assist with handling livestock when moving and drafting, and when livestock	\$0	\$0	0.0333	Youth Guarantee Scheme	30/06/14	07/12/14	Successful Completion
Assist with handling livestock when moving and drafting, and when livestock	\$0	\$0	0.0333	Youth Guarantee Scheme	13/10/14	07/12/14	Successful Completion

38. MTA has the student enrolled twice in the same course at the same time. If the student is progressing well in their course, there is no reason for them to have been enrolled again. As a result, funding from the TEC cannot be claimed for these students. Our analysis showed that this situation occurred for 18 students from 2013-17.
39. We also identified one instance in which MTA reported that a student “completed the course unsuccessfully” and “did not complete course”, again during the same time period. As a learner cannot fail the same course twice at the same time, this once again resulted in MTA receiving double funding for a single enrolment.
40. MTA acknowledged that these were reporting errors that only occurred for a small number of students across a number of years.

Misreporting

41. In each of the above situations, MTA misreported in the SDR.
42. The majority of students would only have completed the course once (rather than twice) or would have withdrawn (or not completed) the course. This means that the second enrolment (or the first) was not in line with the SDR Manual and therefore in breach of funding conditions, and the Act.
43. MTA have acknowledged that the manner in which the reporting systems operated and the procedures that were adopted resulted in unintentional inaccurate reporting and subsequent TEC overpayment of funding to MTA.
44. After the issues were raised, MTA used a consultant to analyse the data and remove any instances of double reporting. We agreed with this calculation and outline the funding implications in paragraph 55. Given that the investigation arose following discussion of MTA’s poor course completion EPIs, we note for completeness that removal of double enrolment reporting had the effect of lifting MTA’s course completion rates.

Age Eligibility

45. Our analysis also highlighted issues around the age eligibility for students. Requirements for age eligibility are contained in a funding condition, which states:

You must ensure that a student enrolled in a Youth Guarantee provision programme for which YG Fund Funding is being used is a student who meets and continues to meet the following eligibility criteria:

- (i) a Domestic Student, and*
- (ii) studying at least 50% of a full-time, full-year enrolment, and*
- (iii) not enrolled in a secondary school, unless the student is participating in Youth Guarantee provision for which the school is funded, and*
- (iv) is either:*
 - A. aged 16 to 19 years (inclusive) at the time he or she commences the Youth Guarantee programme, or*
 - B. 15 years of age at the time he or she commences the Youth Guarantee programme, and has an early leaving exemption from his or her school.³*

Under 16

46. During the course of the investigation we identified several students who were 15 at the time the course they were enrolled in began. MTA were able to produce early leaving exemption certificates for the majority of students, however there were 6 students for whom the documentation was not available. The table below outlines those students included in this analysis:

³ The relevant funding conditions are YG009 (2014), YG010 (2015), Youth Guarantee eligible student definition (2016), Funding condition 5.1(a)(iv) (2017) and Funding condition 4.1(a)(iv) (2018)

Date Of Birth	Course Start Date	EFTS Delivered	Funding \$ (GST Excl)	Age at enrolment
30/03/1997	21/01/2013	0.6740	9,637	15.82
13/03/1997	21/01/2013	0.4995	5,394	15.87
01/06/1999	04/05/2015	0.5325	7,614	15.93
25/05/1998	28/04/2014	0.5745	8,216	15.94
05/05/1998	14/04/2014	0.4995	5,394	15.95
08/02/1997	21/01/2013	0.6740	9,637	15.96
Total		3.4540	45,892	

47. Without early leaving exemption certificates, these six enrolments are not valid and therefore not eligible for TEC funding.
48. In response to this issue MTA has highlighted that it is committed to supporting rangatahi who are disengaged from school and asserts that each of these learners were supported to achieve a qualification with MTA. The TEC also acknowledges that each learner is very close to their 16th birthday, although an early leaving exemption is nevertheless required for anyone under the age of 16.

Funding Implications

49. The issues highlighted above had implications for multiple funding years.

Previous funding years

50. Our analysis and the calculations completed by MTA show that MTA was overfunded for funding years 2014, 2015, 2016 and 2017. This is due to the double enrolments issue which we have described above. The table below outlines the estimated difference once the double enrolments have been removed and any over-delivery has been factored in.

	Student No.	Allocated Funding (\$)	Revised Funding (\$)	Difference (\$)
2014	101	1,133,407	633,174	500,233
2015	115	1,300,837	777,020	523,817
2016	124	1,293,918	799,479	494,439
2017	102	1,147,493	678,144	469,349
Total	442	4,875,547	2,887,817	1,987,838

51. The total amount of recovery from the double enrolments is estimated at \$1,987,838. When incorporating the liability from students enrolled in breach of the age eligibility requirements (\$45,892) the total recovery amount is \$2,033,730 (GST excl).

2018 funding year

52. In 2018, MTA was allocated \$1,136,018 in YG funding. Given that this funding amount was reflective of MTA's over-reporting of enrolments, in August 2018 the TEC revoked MTA's remaining 2018 funding under section 159YG of the Education Act⁴. This was to avoid increasing MTA's debt to the TEC further, in light of the investigation's findings.
53. MTA were able to report correct numbers through the 2018 December SDR and remove any instances of double enrolments.

⁴ Now section 16 of Schedule 18 of the Education and Training Act 2020.

Conclusion

54. The total recovery amount from the double enrolments and the breach of age-eligibility requirements was \$2,122,435.20 (GST excl). NMMPT submitted, and the TEC Board accepted, a repayment plan, accompanied by a deed of acknowledgement of debt and repayment to support MTA to remain viable while also repaying this funding.
55. The debt was repaid over time via a mixture of funding offsets and bulk payments, with the debt fully repaid in February 2023.
56. The TEC wishes to acknowledge MTA's commitment to resolving the issues identified in the investigation and repaying its debt, while continuing to deliver to its rangatahi. Engagement between TEC and NMMPT on the investigation and remedial actions has resulted in a strengthening of our partnership, and both parties are now focused on working together to ensure the ongoing delivery of education and training in the King Country.